SEP 15 1945
CHARLES ELMORE CROPLEY
CLERK

Supreme Court of the United States

October Term, 1945.

No. 432

KASTAR, INCORPORATED,
Petitioner,

vs.

HELEN S. CLAIR and JOHN H. LANE, copartners doing business under the name and style of ANTI-SHIMMIE MANUFACTURING COMPANY,
Respondents.

Petition for Writ of Certiorari to the Circuit Court of of Appeals for the Second Circuit and Brief in Support Thereof.

ARMAND E. LACKENBACH,
Counsel for Petitioner.

JOSEPH HIRSCHMAN,
Of Counsel.

LOCKE APPEAL PRESS, INC., 65-67 Duane St., N. Y. C., Tel. WOrth-2-0589

INDEX.

	PAGE
PETITION	1
Summary Statement of Matter Involved	2
The Questions Presented	4
Reasons Relied on for Allowance of the Writ	6
Certificate	9
BRIEF	10
Opinions of the Courts Below	10
Jurisdiction	10
Statement of the Case	10
Specification of Errors	10
Argument	11
The Decision of the Court Below Excusing Failure Promptly to Disclaim or to Relitigate on the Ground That the Invalid Claims Were Not Infringed Is in Direct Conflict With *Ensten* v. *Simon, Ascher & Co.*	13
The Present Case Falls Within the Situation Set Out in Footnote 3 to the *Triplett* v. *Lowell* Opinion on Which This Court Has Not Yet Ruled But Which This Court Should Settle	17
The Decision of the Court Below Cannot Be Reconciled With the Maytag Case	21
The Decision of the Court of Appeals in This Case to the Effect That the Present Action	

PAGE

Was Properly Brought and Can Be Maintained Despite the Prior Adjudication of Invalidity of Some of the Claims of the Patent and Failure to File Prompt Disclaimer Is Directly Opposed to the Express Provisions of R. S. Sec. 4922 23

The Consequences of the Decision of the Court of Appeals Below Are Inequitable and Intolerable 23

The Different Constructions Given to Claim 2 by the Circuit Courts of Appeals for the Eighth and Second Circuits Necessitate Review by this Court as Does the Fact That the Court Below Went Outside Its Province in Modifying Claim 2 in the Absence of Trial of Such Claim 25

Conclusion 30

APPENDIX:

The Disclaimer Statutes 31

First Opinion of the Circuit Court of Appeals for the Second Circuit 33

CASES CITED.

Altoona Publix Theaters, Inc. v. American Tri-Ergon Corp., 294 U. S. 477 ..... 15, 29

Clair v. Kastar, 58 F. Supp. 378; 138 F. (2) 828; 148 F. (2) 644 ..... 3, 10

Clair et al. v. Sears Roebuck & Co. and Montgomery Ward & Co., 36 F. Supp. 664; 123 F. (2) 878.. 2, 26

Clair v. Western Auto Supply Co., 35 USPQ 324, 542; 106 F. (2) 1022 2

PAGE

Ensten v. Simon, Ascher & Co., 282 U. S. 445 .... 4, 6, 13
Exhibit Supply Co. v. Ace Patents Corp., 315 U. S. 126 29
Maytag Company v. Hurley Machine Co., 307 U. S. 243 ..... 6, 21
Messler v. U. S. Rubber Co., 53 F. Supp. 76; 148 F. (2) 734 ..... 18, 19
Radio Condenser Co. v. General Instrument Corp., 65 F. (2) 458 16
Triplett v. Lowell, 297 U. S. 638 ..... 4, 6

STATUTES CITED.

28 U. S. Code Sec. 347 10
R. S. Secs. 4917 and 4922 (U. S. C. Title 35, Secs. 65 and 71) 8, 17, 23

IN THE

Supreme Court of the United States

OCTOBER TERM 1945.

KASTAR, INCORPORATED, *Petitioner,* vs. HELEN S. CLAIR and JOHN H. LANE, copartners doing business under the name and style of THE ANTI-SHIMMIE MANUFACTURING COMPANY, *Respondents.*	No. .....

PETITION FOR WRIT OF CERTIORARI.

To the Honorable, the Chief Justice and the Associate Justices of the Supreme Court of the United States:

Your petitioner respectfully prays that a writ of Certiorari be issued to review the decision of the United States Circuit Court of Appeals for the Second Circuit rendered April 6, 1945, reversing a judgment of the United States District Court for the Southern District of New York rendered November 10, 1944.

A petition for rehearing by said Circuit Court of Appeals was duly presented and was denied on April 25, 1945 (R. 184).

A certified transcript of the record of the case, including the proceedings in the Circuit Court of Appeals, is furnished herewith.

Summary Statement of Matter Involved.

The issues on this petition relate primarily to the legal question of validity of Campbell patent No. 1,577,821, issued March 23, 1926, in view of failure promptly to disclaim judicially invalidated claims or to re-litigate them, and to the construction and scope of the Disclaimer Statutes and of certain decisions of this Court relating thereto.

In a suit brought in 1933 against another defendant (Western Auto Supply Co.), not in privity with petitioner, for infringement of the said Campbell patent, and also on a certain Dyer patent, not herein involved, in the United States District Court for the Eastern District of Missouri, Judge Collet held all the claims of the Campbell patent invalid and void, but held the Dyer patent valid and infringed (35 USPQ 324, 542, not elsewhere reported). Both parties appealed to the Circuit Court of Appeals for the Eighth Circuit, but subsequently stipulated that both appeals be dismissed, and on April 19, 1939, the Circuit Court of Appeals issued a mandate (106 F. [2] 1022) dismissing both appeals.

Thereafter, in June and July of 1939, respondents brought actions, later consolidated, in the same Missouri District Court for infringement of the Campbell patent (also the Dyer patent) against Sears Roebuck & Co. and Montgomery Ward & Co., petitioner's customers, declaring on all three claims of the Campbell patent, and petitioner took over the defense of both actions. Respondents, by bill of particulars, put in issue only claim 2 in such action and only claim 2 was tried. District Judge Otis held claim 2 valid and infringed (36 F. Supp. 664). On December 1, 1941, the Circuit Court of Appeals for the Eighth Circuit affirmed the decree below, emphasizing that only claim 2 was involved (123 F. [2] 878). The mandate was issued on January 26, 1942.

On December 30, 1942, the present action was filed in the District Court for the Southern District of New York. In the intervening eleven months following the mandate of January 26, 1942, no disclaimer of invalidated claims 1 and 3 was filed, nor was one filed up to the expiration of the patent on March 23, 1943.

The present complaint declared on all three claims of the patent (R. 4). The accused devices are the same as in the actions before Judge Otis. Respondents, abandoning claims 1 and 3, brought a motion for summary judgment on claim 2 only, on the ground of *res judicata,* which was granted. Respondents having thereby abandoned their opportunity to relitigate claims 1 and 3, petitioner filed a motion to dismiss on the ground that the patent was void for failure promptly to disclaim claims 1 and 3 after claim 2 alone was finally declared valid. This motion was denied. On appeal, the Circuit Court of Appeals for the Second Circuit reversed (138 F. [2] 828) (Appendix, p. 33), holding that the question of timely disclaimer was a proper issue and was not barred by *res judicata,* but holding that whether a disclaimer should have been filed depended upon whether the accused devices actually infringed claims 1 and 3. If they did, claims 1 and 3 should have been tried before Judge Otis, and respondents withdrew them at their peril; and that if they did not, no disclaimer was required nor were respondents under a burden of relitigating in the present action. The case was accordingly remanded to the District Court for trial of the issue of fact whether claims 1 and 3 were actually infringed.

The District Judge, declaring that he was using the same rules and measures for determining equivalence as were used by the Circuit Court of Appeals for the Eighth Circuit when it held claim 2 valid and infringed (the accused devices are quite different, in structure and mount-

ing and action, from those disclosed in the Campbell patent, as will be seen by comparing the patent [R. 114] with petitioner's structure [R. 132, 134, 124, 130]), held that claims 1 and 3 were infringed, and, following the direction of the Court of Appeals, dismissed the complaint for failure to disclaim.

On respondents' appeal, the Circuit Court of Appeals for the Second Circuit reversed the lower Court's finding of infringement and held in effect that there was no infringement of claims 1 and 3, and that accordingly respondents were not required to try such claims in the *Otis* actions (nor, presumably, in the present action) nor to disclaim.

The Questions Presented.

The questions presented for determination by this Court are:

1. What is the answer to the situation referred to but left unanswered by Mr. Justice Stone in footnote 3 to the opinion of this Court in *Triplett* v. *Lowell,* 297 U. S. 638, which by the facts of the present case is made a real and justiciable question? Stated concretely, where the owner of a patent containing judicially invalidated claims (never disclaimed) and also judicially validated claims again sues for infringement of the patent, must he not take that opportunity to re-litigate the validity of the invalidated claims, regardless of whether they are infringed or not by the devices which infringe the valid claims, in order to vindicate his failure to disclaim as required by *Ensten* v. *Simon, Ascher & Co.,* 282 U. S. 445, and fails to take such opportunity at the cost of his patent; and is not this penalty all the more deserved when, after refusal by the owner to try the invalidated claims, a district judge finds that they are in fact infringed by the accused devices?

2. Where a patent contains claims judicially declared valid and also claims judicially declared invalid, and more than eleven months after this status of the patent has been finally established in a prior suit against a manufacturer's customers, the owner files suit for infringement in another circuit against the manufacturer declaring on all of the claims, but thereafter moves for summary judgment only on the valid claim, has the patent-owner thereby abandoned the invalidated claims and rendered the patent void *ab initio* for failure promptly to disclaim or re-litigate?

3. Where all claims of a patent have been declared invalid by a District Court in a first suit in one judicial circuit while another patent (not here involved) is declared valid, and after both parties have appealed, they stipulate a dismissal of both appeals and the Circuit Court of Appeals for that circuit issues a mandate dismissing the appeals, and subsequently the patentee brings a second suit in the same circuit on all claims but puts to trial only one claim and that claim is held valid by the District Court, and on appeal, also by the Circuit Court of Appeals for that Circuit, does the patentee have a valid patent when he brings a third suit, this time in another judicial circuit, over eleven months after the decision of the Court of Appeals in the second suit, where there has been no disclaimer of the claims which still stand judicially invalidated?

4. Where the patentee in the situation set out in question 3 presumably has elected to re-litigate the invalidated claims by declaring on all of the claims in his third suit, does he later in that suit abandon the invalidated claims only at his peril, no disclaimer having been filed at any time?

5. Even if an opportunity to re-litigate can be presented only by the appearance of an infringement of in-

validated claims must not such claims be construed in the light of the same rules and measures as were used in determining the infringement of the validated claim by the same devices; and is it not error for the Court of Appeals of one circuit, after refusing to permit a trial *de novo* on the ground of *res judicata*, to support the validity and infringement of a validated claim on grounds different from those advanced by the Court of Appeals of another circuit in first holding such claim valid?

Reasons Relied on for Allowance of the Writ.

The discretionary power of this Court is invoked upon the following grounds:

1. That the decision of the Circuit Court of Appeals for the Second Circuit holding in effect that the owner of a patent containing previously invalidated and also validated claims is not required either to disclaim promptly or to re-litigate, in a later action, the validity of the invalidated claims unless they also are infringed by the accused devices, is directly opposed to and in conflict with the rules and principles embodied in a consistent line of decisions of this Court, as exemplified by *Ensten* v. *Simon, Ascher & Co.*, 282 U. S. 455, *Triplett* v. *Lowell*, 297 U. S. 638, and *Maytag* v. *Hurley*, 307 U. S. 243.

2. Because the precise question presented by the present case has never been passed on, but should be, by this Court and is posed, without being answered, in footnote 3 of the *Triplett* v. *Lowell* opinion.

3. Because the decision of the lower court restricts the scope of the decisions of this Court in the *Ensten*, *Triplett* and *Maytag* cases by holding that the requirement to re-litigate previously invalidated claims which have not

been disclaimed is avoided if in the next suit on the patent the invalidated claims are not infringed by the accused devices; and because the court below relieved respondents of the necessity for re-litigating despite the fact that the district judge held the accused devices to infringe the previously invalidated claims, showing that an opportunity to re-litigate validity was also present.

4. Because the decision whose review is sought will, if allowed to stand, introduce complexities and anomalies in the administration of the patent law and is contrary to the public interest, for it will put on a defendant the burden of showing that previously invalidated claims, not being re-litigated in the suit against him because not infringed by his devices, are actually infringed by the devices of third parties whom the patentee has declined to sue, and because the said decision has already produced in the present case the anomalous situation wherein, before the trial judge, plaintiffs urged that there was no infringement of claims 1 and 3 while defendant urged that there was infringement.

5. Because, contrary to the rules and principles enunciated by this Court in *Ensten*, the decision below will permit a patentee who knows that previously invalidated claims are actually invalid, to continue holding out such claims as valid and to profit indefinitely by such deception by simply avoiding bringing suit against any one infringing the invalidated claims, and will encourage understandings with such infringer whereby, for example, unreasonably high prices are maintained and others prevented from entering the field by threat of suit, all contrary to the public interest.

6. Because the rule established by the decision of the Circuit Court of Appeals for the Second Circuit in this

case introduces new uncertainty and complexity in the disclaimer law by reason of a misinterpretation of this Court's opinion in the *Triplett* case in emphasizing the question of infringement of the previously invalidated claims rather than their actual validity; and in misinterpreting the *Ensten* case in not requiring the patentee to take the first opportunity to re-validate previously invalidated claims to vindicate failure to disclaim.

7. Because in reversing the decision of the District Court holding claims 1 and 3 infringed and dismissing the complaint pursuant to the directions of the first decision of the Court of Appeals below in this case (R. 163), the Court of Appeals found it necessary to advance different grounds for sustaining the validity of claim 2 than were advanced by the Circuit Court of Appeals for the Eighth Circuit which first held claim 2 valid.

8. Because the decision whose review is here sought is in conflict with the disclaimer statute R. S. 4922 in ignoring the provision that "no patentee shall be entitled to the benefits of this section if he has unreasonably neglected or delayed to enter a disclaimer".

9. Because the case involves important questions of law arising under the patent statutes which should be settled by this Court.

WHEREFORE, your petitioner respectfully prays that a writ of certiorari be issued out of and under the seal of this Court directed to the United States Circuit Court of Appeals for the Second Circuit, commanding said Court to certify and send to this Court, on a date to be designated, a full and complete transcript of the record and all proceedings of said Circuit Court of Appeals had in this cause, to the end that this cause may be reviewed and de-

termined by this Court; that the judgment of the Circuit Court of Appeals be reversed; and that petitioner be granted such other and further relief as may seem just and proper.

Respectfully submitted,

KASTAR INCORPORATED,
Petitioner.

By ARMAND E. LACKENBACH,
Counsel for Petitioner.

JOSEPH HIRSCHMAN,
Of Counsel.

Dated: New York, N. Y.,
September 14, 1945.

I hereby certify that I have examined the foregoing petition, that in my opinion it is well founded in law and on fact and is entitled to the favorable consideration of the court, and that it is not filed for the purpose of delay.

ARMAND E. LACKENBACH,
Counsel for Petitioner.